

CORPORATE GOVERNANCE REPORT

Corporate Governance assumes a great deal of importance in the business life of the Company. The Company's goal is to find creative and productive ways of delighting its stakeholders, i.e. investors, customers & associates etc. while fulfilling the role of a responsible corporate representative committed to best practices. This section besides being in compliance of the mandatory SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI (LODR) Regulations") gives an insight into the process of functioning of the Company. The Company's philosophy on Governance is based on the belief that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to last.

Your Company is in compliance with the requirement of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('Listing Regulations').

1. COMPANY'S PHILOSOPHY

- Total customer delight
- Competing with the best
- Total quality people
- Product quality a way of life
- Continued improvement through innovation & creativity
- State of Art Technology with ultra modern R&D facilities
- Respect of every VPL Parivar Member
- Achieving excellence through culture integration
- Change a way of life
- Act as responsible corporate citizen and discharge our social responsibilities

2. BOARD OF DIRECTORS

a) Composition

The Board of Directors, as on 31st March, 2017 consists of eight Directors, of which three are Executive Directors and five are Non-Executive Directors including one woman Director. The half of the Board comprises of Independent Directors. The Board of the Company is composed of eminent individuals from diverse fields. However, it is hereby informed that Mrs. Rakhi Oswal has resigned from the Directorship of the Company w.e.f 15.05.2017.

b) Board Meetings

During the financial year under review, Five Board Meetings were held on 30.05.2016, 12.08.2016, 24.09.2016, 11.11.2016 and 13.02.2017 and the gap between two consecutive meetings did not exceed one hundred twenty days.

Details of composition of the board, Category of director, Shareholding details, Number of board meeting attended, Attendance at 36th AGM, Total number of directorship held, Chairpersonship & Membership of the Committees are as given below:

Name of Director	Category of Director	Share holding in the Company	No. of Board Meeting attended	Attendance at 36 th AGM held on 30.09.2016	Total No. of Directorship held / Public Ltd Co.*	Total No. of Committee**	
						Chairpersonship	Membership
Mr. Ashok Kumar Oswal (DIN 00009403)	Chairman & Managing Director/ Promoter	1,27,748	3	Yes	16/2	--	1
Mr. Adish Oswal (DIN 00009710)	Executive Director/ Promoter	4,20,511	5	Yes	7/1	--	--
Mr. Ashok Kumar Goyal (DIN 06676556)	Executive Director	NIL	5	Yes	1/1	--	1
Mr. Ajay Chaudhry (DIN 00055733)	Non-Executive Independent Director	155	5	Yes	3/3	3	1
Dr. B. S. Bhatia (DIN 00551715)	Non-Executive Independent Director	NIL	4	No	2/1	--	1
Mr. M. D. Kanitkar (DIN 00551803)	Non-Executive Independent Director	NIL	2	No	1/1	--	1
Mrs. Rakhi Oswal*** (DIN 00009682)	Non-Executive Director/ Promoter	17,820	4	Yes	4/1	--	--
Mr. Vishal Oswal (DIN 00002678)	Non-Executive Independent Director	NIL	4	No	6/2	--	--

* The Directorship held by directors includes alternate directorships but doesn't include directorship in foreign company.

** Committees for this purpose include only Audit Committee and Stakeholders' Relationship Committee of all public limited companies.

*** Mrs. Rakhi Oswal has resigned from the directorship of the company w.e.f. 15.05.2017.

Notes:

1. None of the directors on the board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he is a director.
2. There is no inter-se relationship between the directors except Mr. Adish Oswal being son of Mr. Ashok Kumar Oswal and Mrs. Rakhi Oswal wife of Mr. Adish Oswal.

c) Meetings Procedure

The Company holds Board Meetings regularly. The directors are informed about the venue, date and time of meeting in advance in writing at their registered address/e-mail. Detailed agenda papers along with explanatory statements are circulated to the directors in advance. The Board has complete access to all information with the Company. All information stipulated in SEBI (LODR) Regulations is regularly provided to the Board as a part of agenda papers along with the action taken report on the matters previously approved/discussed. Directors actively participate in the Board Meetings and contribute significantly by expressing their views, opinions and suggestions. Video Conferencing facilities are used to facilitate directors, who are traveling or present at other locations to participate in the meeting. Decisions are taken after proper and thorough discussion. The Board periodically reviews the compliance report of all laws applicable to the Company.

d) Training / Familiarisation programmes for Board Members

The Board members are provided with necessary documents/brochures, reports and internal policies enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at http://oswalgroup.com/investor_pdf/corporate-policy/Familiarization-Programmes-for-Independent-Directors.pdf

e) Remuneration of Directors

- i) **Executive Directors:** The Company pays remuneration to Chairman & Managing Director and Executive Directors as approved by the Board of Directors and Members of the Company.
- ii) **Non-Executive Directors:** Non-Executive Directors have not been paid any remuneration except sitting fees for attending Board Meeting @ ₹7,500/- per meeting and for the Committees Meeting @ ₹3,500/- per meeting.

Details of Remuneration paid to the Directors during the year:

(₹ in Lakh)

Name	Designation	Salary	Allowances & Other Perquisites	Contribution to Provident & other Funds	Sitting Fee	Total Remuneration
Mr. Ashok Kumar Oswal	Chairman & Managing Director	43.56	23.27	5.23	NA	72.06
Mr. Adish Oswal	Executive Director	43.56	21.95	5.23	NA	70.74
Mr. Ashok Kumar Goyal	Executive Director	27.61	19.77	3.31	NA	50.69
Mr. Ajay Chaudhry	Non- Executive Independent Director	--	--	--	0.62	0.62
Dr. B. S. Bhatia	Non- Executive Independent Director	--	--	--	0.51	0.51
Mr. M. D. Kanitkar	Non- Executive Independent Director	--	--	--	0.26	0.26
Mrs. Rakhi Oswal	Non –Executive Director	--	--	--	0.30	0.30
Mr. Vishal Oswal	Non- Executive Independent Director	--	--	--	0.34	0.34

f) Independent Directors

Independent directors are non-executive directors as defined under Regulation 16(1) (b) of the SEBI (LODR) Regulations. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations and Section 149(6) of the Companies Act, 2013.

The terms and conditions of appointment of the independent directors are disclosed on the website of the Company.

During the year, a separate meeting of the independent directors was held on 17.12.2016 inter-alia to review the performance of non-independent directors and the board as a whole.

3. COMMITTEES OF THE BOARD

a) Audit Committee

The Company has an Audit Committee in terms of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, which comprises three Independent Directors i.e. Mr. Ajay Chaudhry, Mr. M. D. Kanitkar and Dr. B. S. Bhatia. Mr. Ajay Chaudhry is the Chairman of the Committee and the Company Secretary acts as the Secretary of the Committee. Statutory Auditors, Internal Auditors & Head of Corporate Finance Department are the permanent invitees to the Committee. The terms of reference of the Audit Committee is based on the role of the Audit Committee as mentioned in Section 177 of the Companies Act, 2013 and Regulation

18 of the SEBI (LODR) Regulations.

The Committee met Four times during the year on 30.05.2016, 12.08.2016, 11.11.2016 and 13.02.2017. Attendance of the members of the Committee is given below:

Members	Category	Meetings Attended
Mr. Ajay Chaudhry	Non-Executive Independent Director	4
Dr. B. S. Bhatia	Non-Executive Independent Director	4
Mr. M. D. Kanitkar	Non-Executive Independent Director	2

b) Stakeholders' Relationship Committee

The Company has a Stakeholders' Relationship Committee to look into the redressal of stakeholders complaints on various issues. The members of the Committee are Mr. Ajay Chaudhry, Mr. Ashok Kumar Oswal and Mr. Ashok Kumar Goyal. Mr. Ajay Chaudhry is the Chairman of the Committee. The Committee met once during the year on 12.08.2016 and all members were present at the meeting.

During the financial year 2016-17, No complaint received by the Company relating to dividend, interest, redemption, transfer and non-receipt of Annual Report etc.

Mr. Ashok Goyal, is Compliance Officer of the Company, may be contacted at 0161-6629888 and fax at 0161-6629988. As per Regulation 6 of the SEBI (LODR) Regulations, the designated E-mail Id for the purpose of registering complaints/queries of investors is: secretarial@vpl.in

c) Nomination and Remuneration Committee

The Company has Nomination & Remuneration Committee in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, which comprises three Non-executive Directors i.e. Mr. Ajay Chaudhry, Mr. M.D. Kanitkar and Dr. B.S. Bhatia. Mr. Ajay Chaudhry is the Chairman of the Committee. The Committee is empowered to decide, review and approve the remuneration packages including pension rights and compensation payments of Directors, KMP & other employees as per remuneration policy of the Company. The committee met once during the year on 12.08.2016 and all the members were present at the meetings.

The selection and remuneration criteria of directors, senior management personnel and performance evaluation of directors/board/committee are defined in the Nomination and Remuneration Policy which forms part of the Annual Report.

d) Other Committees of the Board

The other Board's committees composition, number of meetings held during the year and term of reference is as under:

Name of the Committee	Members	Number of meeting held during the year	Brief term of reference
Allotment Committee	Mr. Ashok Kumar Oswal (Chairman) Mr. Adish Oswal Mr. Ajay Chaudhry Dr. B. S. Bhatia	--	Allotment the shares, warrants, debentures and any other securities.
Risk Management Committee	Mr. Ashok Kumar Oswal (Chairman) Mr. Adish Oswal Mr. Ashok Kumar Goyal Mrs. Rakhi Oswal Mr. Parvinder Singh	--	Lay down the procedures for risk identification, assessment and minimization of such risks, review the said procedures on periodic basis and formulate risk management policy.
CSR Committee	Mr. Ashok Kumar Oswal (Chairman) Mr. Adish Oswal Mr. Ashok Kumar Goyal Mr. Ajay Chaudhry Mrs. Rakhi Oswal	--	? Formulate CSR Policy and Indicate the activities to be undertaken; ? Recommend spending under CSR; and ? To perform the functions as defined and covered under the Companies Act, 2013 and SEBI (LODR) Regulations.
Banking, Finance & Investment Committee	Mr. Ashok Kumar Oswal (Chairman) Mr. Adish Oswal Mr. Ashok Kumar Goyal Mr. Ajay Chaudhry Mr. Parvinder Singh	--	? To borrow money/ avail finance of any kind; ? To invest the funds of the company; ? To grant or make loans or advances, give guarantee or provide securities in respect of loan; ? Banking operations activities; and ? Any other ancillary and incidental issues as required for above said matters.

4. CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Company's Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel (SMP) of the Company. The Code of Conduct is available at Company's website. All Board Members & SMP have given their affirmations of compliance with the Code. A declaration to this effect signed by Chairman & Managing Director is enclosed and forms part of the Annual Report.

5. RISK MANAGEMENT

The Company has adopted a well defined procedure for risk management. The Risk Management Policy of the Company provides procedures for identification and mitigation of internal as well as external risks of the Company. The Company is having a Risk Management Committee consisting of directors and senior management functionaries within the organization. The Committee assesses the risks in various functional areas of the organization and defines the steps to minimize/mitigate those risks.

6. SUBSIDIARY COMPANIES

The Audit Committee reviews the significant issues including financial statements pertaining to subsidiary companies. The minutes of the subsidiary companies are placed before the Board of Directors of the Company and attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary companies. The performance of its subsidiaries is also reviewed by the Board periodically. The Company does not have any material non-listed Indian foreign subsidiary Companies as per the Company's policy for determining 'material subsidiaries' which is disclosed on its website at the following link:

http://oswalgroup.com/investor_pdf/corporate-policy/Determination-of-Material-Subsidiary-Policy.pdf

7. SHAREHOLDERS

a) Details of Directors seeking appointment/re-appointment

The brief profile of the directors being appointed/re-appointed is provided in the Notice of convening the Annual General Meeting, which forms part of the Corporate Governance Report.

b) Previous Annual General Meetings

The detail of last three Annual General Meetings (AGM) is given as follows:-

Meeting	Day, date & time of the meeting	Venue	No. of Special Resolutions
36 th AGM	Friday, 30 th September, 2016 at 11:00 a.m.	Regd. Office: Vardhman Park, Chandigarh Road, Ludhiana - 141 123	1
35 th AGM	Tuesday, 29 th September, 2015 at 11:00 a.m.	Regd. Office: Vardhman Park, Chandigarh Road, Ludhiana - 141 123	NIL
34 th AGM	Tuesday, 30 th September, 2014 at 11.00 a.m.	Regd. Office: 341 K-1, Mundian Khurd, P.O. Sahabana, Chandigarh Road, Ludhiana-141 123	6

Postal Ballot:- During the year 2016-17, the Company has not passed any resolution through postal ballot.

c) Means of Communication

The Company communicates with the shareholders at large through its Annual Reports, placing the information on Company's website, publication of financial results, press releases in leading newspapers and by filing various reports and returns with the statutory bodies like Stock Exchanges, the Registrar of Companies and website of Ministry of Corporate Affairs. The financial results are published in prominent daily newspapers viz. Business Standard, Economic Times and Desh Sewak (Punjabi).

The financial results, annual report and shareholding pattern of the Company are also available on the Company's website viz. www.vpl.in

8. DISCLOSURES

a) **Related Party Transactions:** All related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of business. All Related Party Transactions were placed before the Audit Committee for its approval. The Audit Committee has granted omnibus approval for Related Party transactions as per the provisions and restrictions contained in the SEBI Listing Regulations. There was no material/significant transaction with the directors or the management, their subsidiaries or relatives etc. that have any potential conflict with interest of the Company at large read with details of transactions as disclosed in Notes on Accounts annexed in the Balance Sheet as per Accounting Standard (AS) -18. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link:

http://oswalgroup.com/investor_pdf/corporate-policy/Policy-on-dealing-with-Related-Party-Transactions.pdf

b) **Non-compliances/ Penalties:** There has not been any non-compliance made by the Company in respect of which penalties or strictures were imposed by the Stock Exchanges or SEBI or any other Statutory Authority during the last three years.

c) **Vigil Mechanism/Whistle Blower Policy:** The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has a vigil mechanism/whistle blower policy wherein the employees are free to report violation of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. The confidentiality of person reporting violation is maintained and he is not subjected to any discriminatory practice. No person has been denied access to the chairman of Audit Committee. The vigil mechanism policy is available at Company's website at the following link:

http://oswalgroup.com/investor_pdf/corporate-policy/Vigil-Mechanism-Policy.pdf

- d) **Mandatory/ Discretionary requirements:** All mandatory requirements of SEBI Listing Regulations/Corporate Governance clause has been complied with during the year.
The Company has also implemented discretionary requirements of SEBI (LODR) Regulations regarding direct report by internal auditor to Audit Committee.

9. GENERAL SHAREHOLDERS INFORMATION
I) 37th Annual General Meeting

Date : **Saturday, 9th September, 2017**
Time : **11:00 A.M.**
Venue : **Regd. Office: Vardhman Park, Chandigarh Road, Ludhiana-141123, Punjab.**

II) Financial Year : 1st April to 31st March
III) Financial Calendar for 2017-18 (Tentative)

First Quarter Results : August, 2017
Second Quarter Results : November, 2017
Third Quarter Results : February, 2018
Annual Results : May, 2018

IV) Dividend Payment date : Not Applicable
V) Listing of Securities

Sr. No.	Description	Stock Exchange	Stock Code
1.	Equity Shares	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	514175
		The National Stock Exchange of India Ltd. (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai-400 051	VARDMNPOLY
2.	Foreign Currency Convertible Bonds (FCCBs)	Singapore Exchange Securities Trading Ltd. 2, Shenton Way, # 19-00, SGX Centre 1 Singapore- 068804	--

The Company has duly paid the listing fees to BSE and NSE for the year 2017-18.

VI) Stock Market Data

The month-wise highest, lowest and closing stock prices vis-à-vis BSE Sensex and NSE Nifty during the financial year 2016-17 are given below:-

Financial Year 2016-17 (Month)	VPL Share Price at BSE			BSE Sensex			VPL Share Price at NSE			NSE Nifty		
	High	Low	Close	High	Low	Close	High	Low	Close	High	Low	Close
April	47.85	35	42.7	26101	24523	25607	47.45	37.2	41.55	7992	7517	7850
May	59.1	41.05	49.6	26837	25058	26668	59.7	41.5	49	8214	7678	8160
June	51.9	40.2	45.5	27105	25911	27000	50.7	41.1	45.25	8308	7927	8288
July	50.3	42.15	47.35	28240	27034	28052	50.4	42.6	47.6	8675	8288	8639
August	49.85	40.05	41.45	28532	28628	28452	49.4	41.4	42.05	8819	8518	8786
September	49.5	38.1	49.2	29077	27717	27866	49.6	41	49.2	8969	8555	8611
October	96.65	50.4	72.4	28478	27488	27930	96.8	50.25	72.55	8807	8506	8626
November	87.6	61.2	78.15	28030	25718	26653	88	61.3	78.3	8670	7916	8225
December	82.5	64	64.4	26804	25754	26626	83.4	64.1	64.6	8275	7894	8186
January	86.8	63.65	66.4	27980	26447	27656	87.1	63.45	66.6	8673	8134	8561
February	84.4	65.25	75.05	29065	27590	28743	84	65.6	75.1	8982	8538	8880
March	78.25	67	68	29825	28716	29621	78.2	67.8	68.35	9218	8860	9174

VII) Registrar & Share Transfer Agent (RTA)

M/s Alankit Assignments Limited
(Unit: Vardhman Polytex Limited)
1E/13, Alankit Heights, Jhandewalan Extension, New Delhi-110 055
Telephone No. : 011-42541234, 23541234, Fax No. 011-41543474
E-mail: rt@alankit.com, Web Site: www.alankit.com

VIII) Share Transfer System

The Company has authorised RTA for transfer/transmission/ dematerialization/rematerialization etc, who attend the formalities related thereto on an average once in a week. A status report, of valid physical transfers/transmission etc and objectionable cases, received from RTA is placed before the board of directors periodically. The share certificates are returned /dispatched to the shareholders by RTA after necessary endorsements normally within 15 days from the date of receipt. The delays, if any, are mostly due to notice given to seller for confirmation in case of difference in signatures and/or non receipt of copy of PAN.

IX) Dematerialisation of Shares

The shares of the Company are traded on the Stock Exchanges compulsorily in demat form. The International Securities Identification Number (ISIN) for equity shares is INE835A01011. 93.71% of the paid up equity share capital comprising 2,08,88,470 shares were dematerialised as on 31st March, 2017.

X) Distribution of Shareholding as on 31st March, 2017

Range (No. of shares)	Shareholders		Shares	
	Numbers	%age	Numbers	%age
Upto - 500	14,218	88.66	20,32,199	9.12
501 - 1000	1047	6.53	8,76,425	3.93
1001 - 5000	620	3.87	13,52,703	6.07
5001 - 10000	71	0.44	5,16,648	2.32
10001 - 50000	50	0.31	10,39,930	4.66
50001 & Above	31	0.19	1,64,73,052	73.90
Total	16,037	100.00	2,22,90,957	100.00

XI) Shareholding Pattern of the Company

Sr. No.	Category of the shareholders	As on 31 st March, 2017	
		No. of Shares	%age
1.	Promoters/Promoter Group	1,34,04,652	60.14
2.	Mutual Funds & UTI	1,800	0.01
3.	Banks, Financial Institutions, Insurance Co.	1,329	0.01
4.	Bodies Corporate	20,11,621	9.02
5.	Indian Public	65,85,667	29.54
6.	NRIs, OCBs, FII	2,85,888	1.28
	Total	2,22,90,957	100.00

XII) Outstanding GDRs/ADRs/Warrants

There are no outstanding GDRs/ ADRs/ Convertible Warrants. However, the Company is having outstanding 2% unsecured Foreign Currency Convertible Bonds (FCCBs) for the amount of USD 5,54,160 (Net).

XIII) Commodity Price Risk/Foreign Currency Risk/Hedging Activities

Please refer point 3(e) of the Board's Report for the same.

XIV) Plant/Unit Locations

?	Vardhman Polytex Limited, Badal Road, Bathinda-151005, Punjab.	?	Vardhman Polytex Limited (Spinning and Dyeing division) D- 295/1, Phase VIII, Focal Point, Ludhiana-141010, Punjab.
?	Vardhman Polytex Limited, Village Nangal Nihla/Upperla, Swarghat Road, Nalagarh -174101(H.P)	?	Amkryon International, D- 295/1, Phase VIII, Focal Point, Ludhiana-141010, Punjab.

XV) Address for correspondence

Shareholders should address their correspondence to the Company's Registrar & Transfer Agents (RTA) at the address mentioned in point (VII).

Shareholders may also contact **Mr. Ashok Goyal**, Compliance Officer at the Registered Office of the Company at Vardhman Park, Chandigarh Road, Ludhiana -141123, Punjab.

Tel: 0161-6629888, Fax: 0161-6629988

E-mail: secretarial@vpl.in

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DP).

XVI) Unpaid/Unclaimed Dividend

The unpaid/unclaimed dividend upto the financial year 2007-2008 has been transferred to Investor Education and Protection Fund (IEPF) of the Central Government and there is no unclaimed dividend pending with the Company.

10. AUDITOR'S CERTIFICATE ON COMPLIANCE

Certificate from the Statutory Auditors on compliance is given in this Annual Report.

DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT

The Company has adopted the Code of Conduct for all Board members and senior management personnel of the Company.

It is hereby affirmed that all the Directors and Senior Management personnel have complied with the Code of Conduct and have given a confirmation in this regard.

For and on behalf of the Board

Sd/-

(Ashok Kumar Oswal)

Chairman and Managing Director
(DIN-00009403)

Date : 12th August, 2017
Place: Ludhiana

CERTIFICATE OF CHAIRMAN AND MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

We have reviewed financial statements and cash flow statement for the year ended 31st March, 2017 and to the best of our knowledge and belief:

- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- 2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 3) No transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's Code of Conduct.

Further, we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee:

- a) deficiencies in the design or operation of internal control, if any, of which we are aware and the steps we have taken or purpose to take to rectify these deficiencies;
- b) significant changes in internal control over financial reporting during the year;
- c) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- d) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date : 12th August, 2017
Place: Ludhiana

Sd/-
Kuldeep Singla
Chief Financial Officer

Sd/-
Ashok Kumar Oswal
Chairman and Managing Director
(DIN-00009403)

CERTIFICATE OF COMPLIANCE FROM AUDITORS**To The Members of****Vardhman Polytex Limited**

We have examined the compliance of conditions of Corporate Governance by Vardhman Polytex Limited ("the Company") for the year ended 31st March, 2017, as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for Compliance with the Conditions of Listing Regulations

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Auditors' Responsibility

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For S. S. KOTHARI MEHTA & Co.
Chartered Accountants
FRN - 000756N

Sd/-
(Sunil Wahal)
Partner

Membership No. 087294

Place : New Delhi
Dated: 29th May, 2017